

Jason R. Searcy
SBN 17953500
Joshua P. Searcy
SBN 24053468
Callan C. Searcy
SBN 24075523
Searcy & Searcy, P.C.
PO Box 3929
Longview, Texas 75606
Tel. (903) 757-3399
Fax. (903) 757-9559
Counsel for Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:	§	
	§	
REPUBLIC RESOURCES, LLC	§	CASE NO. 15-52637-CAG-7
	§	
DEBTOR.	§	CHAPTER 7

CASE STATUS REPORT

Jason R. Searcy, as the duly elected and serving Chapter 7 Trustee, files this Case Status Report regarding the administration of the bankruptcy estate in the above referenced case.

BACKGROUND:

This case was filed as a voluntary Chapter 11 proceeding on October 31, 2015. The Debtor remained as a Debtor in Possession until February 17, 2016, when the case was converted to a case under Chapter 7. Randolph N. Osherow as appointed as the interim trustee. Following a contested election of the permanent Trustee, on April 28, 2016, Jason R. Searcy was named as the elected Trustee of this proceeding.

COMPLETED ACTIVITIES:

On March 1, 2016, the Court authorized the interim Trustee to operate the Debtor's business. These operations were extended subsequently by Court order after the election of

Jason R. Searcy as Trustee. The Debtor was the designated operator of a large number of oil and gas wells throughout Texas despite not owning an interest in most of those wells. This designation made Debtor, and its estate, potentially liable for the costs and expenses of plugging the wells; many of which were not producing and were liabilities rather than assets.

The Trustee was able to negotiate with various parties and completed the transfer of operations and thereby the release of plugging obligations with respect to most of the Debtor's operations. Accordingly, with the Trustee's consent and approval, the authority to operate the Debtor's business terminated on August 31, 2016. Although the Debtor's estate continues to be reflected as the operator for 14 oil and gas wells, these wells are not producing and require no operations other than possible future plugging of any wells for which transfer is not available.

The Debtor's estate owns an interest in four producing oil wells located in Bastrop County, Texas. The Trustee negotiated the transfer of operations and permits for these properties to One Cypress Advisory Solutions, or its subsidiary, which now operates those properties and is responsible for their maintenance. The Debtor's estate maintains its ownership in those properties.

PENDING ACTIVITIES:

The Trustee has investigated the availability and feasibility of asserting various claims against the previous management of the Debtor and related entities. An adversary has been initiated against prior management and Broadway Bank which remain pending.

The Trustee has investigated various transfers of property made by the Debtor which may be subject to avoidance. These investigations are continuing. The Debtor owns a minority interest in the Bastrop County properties. However, the bulk of the remaining interest in those

properties may be subject to avoidance. The Trustee believes it is not in the best interests of the estate to sell the minority interest it currently holds legal title to until the remaining interests are recovered or a determination made that they are not subject to recovery. Negotiations are ongoing with a representative of many of these transferees to compromise without the requirement of litigation. These negotiations are believed to be completed in the next sixty (60) days. If not successful, avoidance actions will be initiated.

The Trustee is continuing to search for possible third parties to transfer the remaining non-productive wells to so as to avoid plugging obligations if possible.

LEGAL:

The Trustee anticipates that adversary proceedings may be filed seeking avoidance of the transfers of interests in various oil and gas wells.

The Trustee has filed suits against prior management and Broadway Bank and related entities and persons for various causes of action.

ANTICIPATED EVENTS:

Proofs of Claim will be reviewed and the Trustee anticipates numerous objections.

The remaining assets of the estate, together with any recovered by Chapter 5 actions, will be marketed and sold.

Other legal claims will be pursued to judgment and collection or settlement.

FUNDS ON HAND:

See attached Form 2

ESTIMATED TIME TO CLOSE CASE AND FILE TFR:

June 30, 2018.

Respectfully submitted,

/s/ Jason R. Searcy
Jason R. Searcy, Trustee

NOTICE

The submission of this status report is not required by the Bankruptcy Code nor by the Federal Rules of Bankruptcy Procedure. It will not trigger any contested matter before the Court. Thus, it need not contain any negative notice language nor is any certificate of service required. It is filed with the Court solely as a means by which to provide interested parties with updated information regarding the administration of this case to date and to identify those future activities which likely must be completed prior to the submission of a Trustee's Final Report in this case.

CERTIFICATE OF SERVICE

I, the undersigned, certify that a true and correct copy of the above and foregoing document was served through electronic mail pursuant to the Electronic Case Management system of the United States Bankruptcy Court for the Western District of Texas on the 21st day of April to each person requesting such notice.

/s/ Jason R. Searcy